

## Silverton Magazine - Silverton, Colorado

Hardrock History

San Juan County Historical Society

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### HARDROCK History

# HARDROCK HISTORY

## NEW BOOM ON THE HORIZON?

Story by Scott Fetchenhier for San Juan Publishing

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SILVERTON'S MINING INDUSTRY has seen many boom and bust cycles over 125 years of mining, much of it related to the price of metals—gold, silver, lead, zinc and copper. When prices were high the mines were open, and when prices fell the mines were often forced to close. Other things could cause the closure of a mine—poor management, death of an owner, or sometimes the exhaustion of the ore body. Metal prices could change quickly and were influenced by many causes. Wars caused substantial demand for strategic metals along with an accompanying rise in metal prices. These would fall with the ending of hostilities. The Gold Standard adopted by the Government kept gold prices low for several decades while backing up the U.S. Treasury with millions of ounces of gold.

The Great Depression, multiple financial panics, and recessions—all affected the mining industry. The financial panics of 1873, 1893, 1907 and 1929 had strong repercussions too. One of the biggest influences on the local mining industry was the Sherman Silver Purchase Act of 1890. Western silver mine owners pressured Congress to buy a minimum of 4.5 million ounces of silver a month for coinage. Silver went from 85 cents to \$1.50 an ounce and silver mining boomed. Silver dropped to 62 cents an ounce in 1893 with the repeal of the Sherman Act, forcing most silver mines in the west, including those in the San Juans, to close.

One of the strangest things to occur in the San Juans was the U.S. Government's Gold Closing Order of 1942. It forced all gold mines to close, with the logic that gold was a non-strategic metal, and that gold miners could be better put to work in copper mines or other strategic industries. Silverton's Mayflower Mine avoided forced closure when Manager Charles Chase was able to convince the government that the operation was predominantly a base metal (lead, zinc, copper) mine. Several other local mines, however, were shut down by this order.

Shenandoah-Dives Mining Company had revived the Mayflower Mine from dormancy in the late 1920s, and built the massive Mayflower Mill in 1929. Silverton's biggest employer for over twenty-five years, the mine survived several fluctuations in metal prices, a major strike, and the Crash of 1929 that ushered America into the Great Depression. With low-grade ores, Manager Chase was able to keep the mine open by keeping costs down. The mine shut down in 1953 at the end of the Korean War, when metal prices fell due to lower demand for metals and increasing competition from foreign mines.

The Sunnyside Mine was discovered by George Howard and R.J. McNutt in the summer of 1873. It was mined almost 12 years by several owners, including the Thompson Brothers, Judge Joe Terry, et al. It was forced to shut down for a short period in 1920 due to the fall in metal prices and the United States' decision to stop buying silver. It reopened and closed within a year in 1937-1938 due to the stock market crash. It reopened and closed within a year in 1937-1938 due to the stock market crash. It reopened and closed within a year in 1937-1938 due to the stock market crash.

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The late 1970s and early 1980s saw a boom in the San Juans. Many major mines were discovered, including molybdenum and uranium. Several

for spike in gold-silver prices that caused a small boom in the San Juan area looking for precious and base metals, and also were able to reopen, and drilling rigs dotted the countryside. Metal

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The Sunnyside Mine in Lake Emma Basin was discovered by George Howard and R.J. McNutt in the summer of 1873. It was mined almost continuously from 1880-1930 by several owners, including the Thompson Brothers, Judge Joe Terry, and the United States Smelting and Refining Company. It was forced to shut down for a short period in 1920 due to the fall in metal prices after World War I and again in 1930 due to the stock market crash. It reopened and closed within a year in 1937-1938 due to a quick rise and fall in metal prices.

The Sunnyside Mine was reopened by Standard Uranium Company in 1959 with the extension of the American Tunnel beneath the Washington Shaft. Even though the mine suffered bankruptcies, company changes, and a major flood caused by mining into Lake Emma in 1978, it was San Juan County's largest producer and employer until 1991. In the early 1980s, the mine employed over 300 people and was mining 1000 tons of ore a day. Poorer grade ores, exhaustion of ore and lower metal prices led to the Sunnyside's demise in 1991.

The late 1970s and especially early 1980s saw a major spike in gold-silver prices that caused a small boom in the San Juans. Many major exploration companies poured into the Silverton area looking for precious and base metals, and also molybdenum and uranium. Several small mines were able to reopen, and drilling rigs dotted the countryside. Metal

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prices collapsed in 1981 and essentially the only mine left open was the Sunnyside.

Perhaps Silverton's dormant mines wait only for another rise in metal prices to swing back into another boom cycle. Sadly, however, many of the big blocks of mining claims once owned by mining companies are now being piecemealed off and sold for cabin sites. So, it appears, San Juans' last big boom most likely will be in real estate.

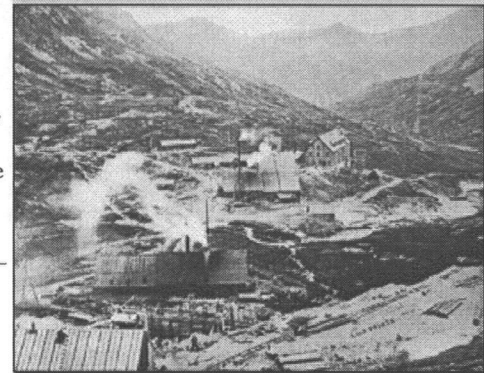
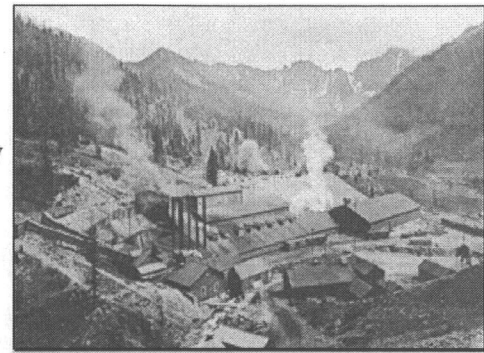
But wait! Looks like another minng boom is about to happen? Silverton and the San Juans are once again experiencing a resurgence of the mining industry now that the price of base metals is climbing—this time to meet demands in China and other growing companies. So, who knows, maybe all that realestate development will just have to wait.

*Scott "Fetch" Fetchenhier is a geologist, historian, and longtime member of the San Juan County Historical Society. He is the author of Ghosts and Gold – The Story of the Old Hundred Mine (Packrat Publishing, 1999).*

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Top to bottom: Gold King Mill, Gold Prince, Sunnyside and Lake Eureka.



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(Plagerizers will be hung from the yardarm and fed to the mountain sharks!)

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